

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11  
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Delphi Corporation, et al., : Case No. 05-44481 (RDD)  
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Debtors. : (Jointly Administered)  
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**DECLARATION OF LOUIS A. SCARCELLA IN SUPPORT OF THE  
APPLICATION FOR AN ORDER AUTHORIZING EMPLOYMENT AND  
RETENTION OF FARRELL FRITZ, P.C. AS CONFLICTS COUNSEL TO  
OFFICIAL COMMITTEE OF EQUITY SECURITY HOLDERS**

I, LOUIS A. SCARCELLA, declare pursuant to 28 U.S.C. § 1746 that:

1. I am a member of the law firm of Farrell Fritz, P.C. (“Farrell Fritz”), 1320 RexCorp Plaza, Uniondale, New York, 11556-1320. I make this declaration (the “Declaration”) in support of the application dated September 3, 2008 (the “Application”) of the Official Committee of Equity Security Holders (the “Equity Committee”) in these chapter 11 cases (the “Chapter 11 Cases”) of the above captioned debtors and debtors in possession (collectively, the “Debtors”) seeking an order authorizing the retention of Farrell Fritz as conflicts counsel to the Equity Committee in compliance with §§ 328 and 1103 of title 11 of the United States Code (the “Bankruptcy Code”) and to provide the disclosure required under Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”). Unless otherwise stated in this Declaration, I have personal knowledge of the facts hereinafter set forth. To the extent that any information disclosed herein requires subsequent amendment or modification upon Farrell Fritz’s completion of further analysis or as additional information becomes available to it, one or more supplemental declarations will be submitted to the Court reflecting the same.

**Qualification of Professionals**

2. I am a member in good standing of the bar of every jurisdiction to which I have been admitted to practice, including: (a) the State of New York; (b) United States Court of Appeals for the Second Circuit; (c) United States District Court for the Southern District of New York; (d) United States District Court for the Eastern District of New York; and (e) United States District Court for the Northern District of New York.

3. I am informed that the Equity Committee selected Farrell Fritz because Farrell Fritz has extensive experience in the fields of litigation, bankruptcy and creditors' rights. Furthermore, Farrell Fritz's practice, which also includes banking and finance, corporate, securities and mergers and acquisitions, will permit it to fully represent the interest of the Equity Committee in an efficient and effective manner.

4. Farrell Fritz and I possess considerable experience in matters of this nature and are well qualified to represent the Equity Committee. I personally have over 30 years of experience in the practice of bankruptcy law and creditors' rights. In addition, my colleagues at Farrell Fritz include partners with over 20 years of experience in the fields of bankruptcy and contract-based litigation.

**Services to be Rendered**

5. Farrell Fritz is expected to render legal services in matters that may not be handled by Fried Frank due to conflicts of interest or because Fried Frank is otherwise unable to represent the Equity Committee. Those matters will include any legal services in connection with the pending litigation regarding Delphi's equity purchase and commitment agreement by and with the Plan Investors. In addition, it is expected that Farrell Fritz's services may include,

without limitation assisting, advising and representing the Equity Committee with respect to certain other matters.

**Professional Compensation**

6. Farrell Fritz has indicated its willingness to serve as conflicts counsel to the Equity Committee in these cases and to receive compensation and reimbursement in accordance with its standard billing practices for services rendered and expenses incurred on behalf of the Equity Committee in accordance with the provisions of sections 328, 330 and 331 of the Bankruptcy Code or as otherwise ordered by the Court. Farrell Fritz's billing practices and rates are summarized below and are consistent with those generally governing Farrell Fritz's representation of its other clients.

7. The principal attorneys expected to represent the Equity Committee in this matter and their current hourly rates are: Louis A. Scarcella (\$575), and Ted A. Berkowitz (\$575). In addition, other attorneys and para-professionals may, from time to time, provide services to the Equity Committee in connection with these Chapter 11 Cases. The range of Farrell Fritz's hourly rates for its attorneys and paralegals is as follows:

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|----|------------------------|---------------|
| a. | Law Clerks/Paralegals: | \$75 - \$225  |
| b. | Associates:            | \$250 - \$360 |
| c. | Partners               | \$425 - \$595 |
| d. | Counsel:               | \$335 - \$650 |

8. Farrell Fritz's hourly rates set forth above are subject to periodic adjustments to reflect economic and other conditions. Such changes will be noticed. Farrell Fritz has not received a retainer.

9. The hourly rates set forth above are Farrell Fritz's standard hourly rates for work of this nature. These rates are set at a level designed to fairly compensate Farrell Fritz for the work of its attorneys and paralegals and to cover fixed and routine overhead expenses.

10. Farrell Fritz's hourly billing rates for professionals are not intended to cover out of pocket expenses that are typically billed separately. Accordingly, Farrell Fritz regularly charges its clients for the expenses and disbursements incurred in connection with the client's case. The expenses charged to clients include, among other things, long distance telephone and fax charges, mail and express mail charges, special or hand delivery charges, document retrieval, photocopying charges, charges related to mass mailings, travel expenses, computerized research, and transportation costs. With regard to all expenses for which reimbursement will be sought, Farrell Fritz will comply with all rules and orders applicable to these Chapter 11 Cases.

**Disinterestedness of Professionals**

11. Although § 1103 of the Bankruptcy Code does not require professionals employed by the Equity Committee to meet the "disinterested person" standard set forth in § 101(14) of the Bankruptcy Code, Farrell Fritz has nonetheless, in connection with this proposed retention and for the purpose of confirming that Farrell Fritz has no conflicts, reviewed the names of the Debtors, their fifty (50) largest unsecured creditors, and their pre- and post-petition lenders and compared the information to Farrell Fritz's conflict check database to determine whether Farrell Fritz has connections to such parties and if so, whether such connections relate in any way to the proposed representation of the Equity Committee in the Chapter 11 Cases. The list of such parties was also circulated to all of Farrell Fritz's attorneys to determine whether any attorney has any relationship with any party. Farrell Fritz has also conducted a routine conflict check with regard to the members of the Equity Committee. Based on this review process, it appears that Farrell Fritz does not hold or represent any interest adverse to and has no connection with the Equity Committee, the Debtors herein, their creditors or any

party-in-interest herein in the matters upon which Farrell Fritz is to be retained, except as set forth as follows:

- a. On entirely unrelated matters, we currently represent (i) JPMorgan Chase Bank, N.A.; (ii) Citibank, N.A.; (iii) Bank of America, N.A.; (iv) HSBC Bank USA; (v) ABN AMRO Mortgage Group; and (vi) General Electric Credit Equities, Inc.<sup>1</sup>
- b. On entirely unrelated matters, we previously represented (but do not currently represent) (i) Sun Trust Bank; (ii) Wachovia Bank, N.A.; (iii) ABN AMRO, Inc.; (iv) UBS Real Estate Investments Inc. and (v) Merrill Lynch Credit Corp.

12. In conclusion, insofar as I have been able to ascertain and subject to the disclosures herein contained, neither Farrell Fritz, nor any members, counsel or associates thereof, represents any interest adverse to the Debtors herein, or their estates, in matters that Farrell Fritz is to be engaged. Accordingly, I believe Farrell Fritz is a “disinterested person” within the meaning of section 101(14) of the Bankruptcy Code and, for purposes of section 1103(b) of the Bankruptcy Code, does not represent any interest adverse to the Equity Committee in connection with the Debtors’ chapter 11 cases.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 3rd day of September, 2008 in Uniondale, New York.

/s/ Louis A. Scarcella  
LOUIS A. SCARCELLA

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<sup>1</sup> Farrell Fritz’s revenues from these clients each individually accounted for less than 1% of the firm’s gross revenues for the year ending December 31, 2007 and, based on the firm’s revenue to date in 2008, are expected to account for less than 1% of Farrell Fritz’s gross revenues for the year ending December 31, 2008.